

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE CABINET

FROM: Jack Watson  
Jane Frank

*Jack*

RE: Agency for Consumer Advocacy

Esther Peterson has asked us to circulate the supplemental views on S.1262-- a most eloquent statement of support from an unexpected source. As she stated at the last Cabinet meeting, she would appreciate as much help as you can give her.

Attachment

May 18, 1977

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## STATEMENT

I have been particularly concerned about the growth of the federal bureaucracy, so it may come as a surprise that I have supported a bill which provides for the creation of a new federal agency, the Agency for Consumer Advocacy. After all, those who oppose the creation of the agency charge that it will be but another in a continuing series of federal bureaucracies -- full of sound and fury signifying much more than nothing -- the continuing proliferation of absurd and counterproductive regulations in furtherance of the maxim that government is not done for people as much as it is done to them. If I believed that to be true, I would not support the bill.

The purpose of establishing an Agency for Consumer Advocacy is to assure a meaningful consumer presence in the federal regulatory process -- a goal which I believe will be more effectively and efficiently pursued by establishing a single office of consumer advocacy (providing, I might add, enhanced opportunity for Congressional oversight) than could ever be the case with the "in-house" agency consumer counsel advocated by many of the bill's opponents. To this end, I do not see the Agency for Consumer Advocacy as a mere addition to the bureaucratic maze -- I see it as a counter to mindless federal regulation.

I am distressed to find the most strenuous opposition to this bill coming from the business community, because I do not believe that this bill is anti-business in any sense of the word. To my mind, business and consumers have a great deal in common when it comes to dealing with the federal bureaucracy, and it is my expectation that causes espoused by the consumer advocate will often find support in the business community. The purpose of consumerism, it should be remembered, is not to drive businesses to ruin, but -- purely and simply stated -- to provide consumers with a wide selection of well-made goods at a fair price. Surely this goal cannot be said to be inimical to the interests of business.

The opposition to this bill rises out of a deep distrust of the federal government, of the Congress, and of consumer advocates. Although the agency, as created, will have no regulatory powers, its opponents do not believe that the Congress will be able to resist the temptation to endow the agency with regulatory powers. Although the agency, as

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created, will be a small agency, its opponents do not believe that it will remain small. Although the agency is mandated to give especial attention to the needs of small business, and to refrain from intervention in agency proceedings absent some showing that intervention is necessary to protect the interests of consumers, its opponents simply do not believe that the consumer advocate will be anything but a demagogue bent on the overregulation of business.

We are giving this agency three years to prove the opposition wrong. It is my hope and expectation that it will remain true to its mandate. But if the agency should substitute rhetoric for reasoned analysis, if it should engage in harassment, if it should spend its time in petty and foolish matters, if it should come before this body seeking a bigger staff and bigger budget each time its efficacy is questioned -- in short, if this agency should become the bloated, insensitive and irresponsible bureaucracy its detractors claim it will become, it will have violated its charter and the trust of those of us who now support it -- and it will be deserving of a quick demise.

But there is also a lesson to be learned from the opposition about the nature of the Congress. We who are creating this agency must remain mindful of our duty to see to it that it remains true to its charter and, when it comes before us for reauthorization in three years, we must remain mindful of the concerns which have led us to create a small agency with limited powers. I believe we have drafted a good bill -- a bill which reflects our sensitivity to the sins of the past. I do not believe that the dire predictions of those who oppose this agency will be proved correct. Far from being but another bloated bureaucracy, I expect this agency to be the antithesis of bureaucracy -- the nemesis of bureaucratic arrogance. To the extent that it fulfills this promise, we will all benefit.

John C. Danforth

# EXECUTIVE SECRETARIAT

## Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	D/DCI/IC		X		
4	DDS&T				
5	DDI				
6	DDA		X		
7	DDO				
8	D/DCI/NI				
9	GC				
10	LC		X		
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	A/DCI/PA				
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20					
21					
22					
SUSPENSE		Date			

Remarks:

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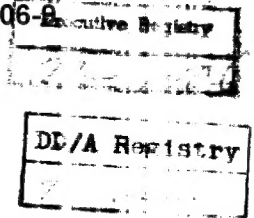
D/ Executive Secretary

20May77

Date

THE WHITE HOUSE  
WASHINGTON

May 18, 1977



MEMORANDUM FOR THE WHITE HOUSE STAFF.

FROM: HUGH CARTER

SUBJECT: Gifts Policy

Bob Lipshutz has asked me to advise you that with reference to his memorandum of February 7, 1977, subject General Instructions, Paragraph F Gifts, should be amended as follows:

"In addition to forbidding the members of the White House staff to accept gifts in the form of honoraria or fees or otherwise, we will not permit "gifts to charities chosen by the honoree" as has been proposed in a number of invitations to several of us on the staff and even to the President and First Lady."

PERSONNEL

- (f) The General Counsel will, with the approval of the Executive Director-Comptroller, establish the period for which statements must be retained and will so advise Deputy Directors, Operating Officials, and Heads of Independent Offices.
- (g) Changes in or additions to the information in the statement of employment and financial interest will be reported in a supplementary statement as of 30 June each year. If no changes or additions have occurred, a negative report is required.
- (5) GENERAL COUNSEL ASSISTANCE. The General Counsel will be available to advise and assist employees in the submission and review of statements of employment and financial interest.

**1.4. ACCEPTANCE OF GIFTS, SERVICES, AND DECORATIONS**

- (1) Government employees are forbidden by law from soliciting contributions from other employees for a gift to an official superior, making donations as a gift to an official superior, or accepting gifts from employees who receive less pay than themselves. (The law does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as a marriage, illness, or retirement.)
- (2) No Agency official may require or coerce an employee to provide services, gratuitous or otherwise, that are outside the employee's official duties.
- (3) No Agency employee may solicit or accept, directly or indirectly, from any person, corporation, or group, domestic or foreign, anything of economic value such as a gift, gratuity, or favor, if it might reasonably be interpreted by others as being of such a nature that it could affect his impartiality as an Agency employee, or if the employee has reasons to believe that the giver
  - (a) has or is seeking to obtain contractual or other business relationships with the Agency;
  - (b) has interests which may be substantially affected by the employee's performance or nonperformance of his official duty; or
  - (c) is in any way attempting to influence the employee's official actions.
- (4) No Agency employee may request or otherwise encourage the presentation of a decoration or gift from an agent, foreign officer, or foreign government. Foreign contacts will be discouraged, insofar as it is feasible, from presenting expensive gifts to Agency personnel.
- (5) Employees will accept gifts only when, in their best judgment, refusal would interfere with the official relationship between the employee and the agent, foreign officer, or foreign government to such a degree as to result in harm to operations. Gifts having a retail value not exceeding \$50 in the United States may be retained by the employee, but a gift exceeding \$50 in value is deemed to have been accepted in behalf of the United States and will be deposited by the donee for use and disposal as the property of the United States.
- (6) Decorations or other items of an honorary nature which are received may be retained by the recipient, subject to approval by the Directorate of Personnel and concurrence of the Secretary of State.
- (7) Gifts or decorations presented to a member of the immediate family or household of an employee are considered gifts or decorations presented to the employee.

→Revised: 14 December 1976 (975)

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 **CONFIDENTIAL**

**PERSONNEL**

- (8) Personnel under cover will, as security and cover considerations dictate, comply with the regulations and practices of their cover organization regarding acceptance of gifts, money, or other items.
- (9) The provisions of this subparagraph do not govern the acceptance of foreign decorations by military personnel when authorized by legislation.

**e. REPORTING ACCEPTANCE OF GIFTS AND DECORATIONS**

- (1) **REPORT BY EMPLOYEE.** If an employee or a member of his immediate family or household receives a gift or a decoration from a foreign government, the employee will immediately submit a memorandum through channels to the Director of Personnel stating the names of recipient and donor; an identification or description of the item and its estimated value if a gift; and other pertinent information.
- (2) **RESPONSIBILITIES**
  - (a) Deputy Directors and Heads of Independent Offices will review each report submitted to them and advise the Director of Personnel of any security or cover circumstances which affect the disposition of the gift or award.
  - (b) The Director of Personnel will
    - (1) review each report, determine action to be taken, and advise the employee through channels regarding disposition of the gift or award;
    - (2) prepare and forward the necessary papers to Central Cover Staff when he approves an employee's retention of a decoration from a foreign government;
    - (3) notify the Honor and Merit Awards Board of foreign awards received by Agency personnel; and
    - (4) provide for storage or other disposition of awards or gifts not approved for retention by recipients and of items accepted on behalf of the United States Government, including for the latter temporary loan to the recipient if operationally necessary.
  - (c) The Central Cover Staff will request through cover channels the required concurrence of the Secretary of State in an employee's retention of a foreign decoration and notify the Director of Personnel of the action taken by the Secretary of State.


- f. GIFTS TO FOREIGNERS.** Operating Officials may authorize the expenditure of official funds to make true gifts to foreigners when such gifts are appropriate and when their value does not exceed \$50. Gifts exceeding \$50 in value require approval of the Deputy Director for Operations. (To be a true gift, it must not be given as a consideration for services rendered or as an operational method of payment.) In selecting or recommending gifts to foreigners, consideration should be given to items of appropriate sentimental as opposed to cash value and representative of American culture whenever possible and consistent with operational security considerations.

**g. ENGAGING IN RIOTS AND CIVIL DISORDERS**

**(1) DEFINITIONS**

- (a) A riot is a public disturbance which involves the commission or threat of an act of violence by one or more persons, part of an assemblage of three or more persons, which act does or would injure or damage the person or the property of another individual.

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UNCLASSIFIED

INTERNAL



CONFIDENTIAL



SECRET

Approved For Release 2004/03/15 : CIA-RDP80M00165A002200060006-9

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

F. W. M. Janney  
Director of Personnel  
5E 58, Headquarters

EXTENSION

NO.

PERS 77-1954

DATE

10 JUN 1977

DVA Registry

3/24

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column at each comment.)

RECEIVED

FORWARDED

1. Executive Officer to  
the DDA  
7D 18, Headquarters

14 JUN 1977

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3.

Thank you for bringing  
the attached memorandum on  
gift policy to our attention.  
We will use it to sharpen the  
language in our regulation,  
[redacted] which is currently  
under revision.

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Executive Secretary  
7E 12, Headquarters

14 June 77

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F. W. M. Janney

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FORM  
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USE PREVIOUS  
EDITIONS

SECRET



CONFIDENTIAL

INTERNAL  
USE ONLY

UNCLASSIFIED



SENDER WILL CHECK CLASSIFICATION ON TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	SECRET
<b>OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	DDC/	5/26	LM
2	George C. ...	5/31	Sub
3	EO/DDA	06 JUN 1971	J
4	[Redacted] OP		
5			
6	EO/DDA		
<input checked="" type="checkbox"/>	ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/>	APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/>	COMMENT	<input type="checkbox"/> FILE	<input type="checkbox"/> RETURN
<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE
<b>Remarks:</b> <p>To 3 If this is not in our instructions on this topic, it probably should be.</p>			
FOLD HERE TO RETURN TO SENDER			
			DATE
			26 May

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